

Title: **Questionable Data - Potential Impact
(of
Your Data on Various Programs and
Metrics)**

Session: **T-4-1100**



Objectives

- Identify major programs, applications, and metrics using cost, workload, or manpower data from MEPRS and other data systems
- For selected programs, describe how MEPRS and encounter data (e.g., SIDsRs, SADR/S/CAPERs) are used
- Discuss examples where “questionable” data may have an impact on the selected programs, possibly affecting MHS decisions

***NOTE:** Presentation is from the viewpoint of those who use centrally available data rather than data from local systems



Selected Applications

- Inpatient Third Party Collection (TPC) Rates
 - Adjusted Standardized Amounts (ASAs) for billing third parties
 - MTF expense and SIDR data pooled within peer groups to create standardized rates
- U.S. Family Health Plan (USFHP) Capitation Rates
 - Former USTF/Designated Provider hospitals
 - Approximately 112,000 enrollees
 - Direct Care portion of rates based on expense and workload data from CONUS MTFs (MEPRS, SIDRs, SADRs, PDTs)
- Practice Management Revenue Model (PMRM)
 - Army PMRM used in productivity evaluation
 - “Purple PMRM” with Tri-Service data available from TMA
 - FTE data from MEPRS input to comparative metrics involving PPS earnings estimates



Selected Applications

- **Costs**

1/18/2011...call from Representative ????'s office asking about TRICARE funding. He wants to know how much goes into TRICARE every year and how much of that is spent on retirees vs. Active Duty and Reserve and Guard.

- Pharmacy (PDTS) dispensing costs
- Lab/Rad "encounter" records
- Resulting encounter record costs used in numerous analyses and metrics

- **Metrics**

- **Per Member Per Month (PMPM) costs**

- Metric reported to the USD(P&R) level
- Adjusted MEPRS expenses allocated to enrollment categories based on encounter records workload



Selected Applications

- Metrics (continued)
 - **Provider Productivity (RVUs per FTE)**
 - Metric reported to the USD(P&R) level
 - FTE data from MEPRS; RVUs from SADR's
- **Prospective Payment System (PPS)**
 - Ratios of PPS earnings to MEPRS cost used to adjust for programmatic increases or decreases
 - Starting to use Radiology workload data from MEPRS
- **Medicare Eligible Retiree Health Care Fund (MERHCF)**
 - Annual direct care Level of Effort (LOE) and reconciliation
 - Rates for future distributions



Selected Data Issues Affecting These Applications

- MEPRS
- Expenses w/o workload; workload w/o expenses
- Negative expenses
- Unallocated ancillary/support expenses
- Erroneous expense data (magnitude; appropriateness; FCC identification)
- “Lumpiness” of expense data across time
- Lack of association between FTEs and workload
- Data missing when applications are “due”
- Differences in Services’ accounting and/or reporting procedures



Selected Data Issues Affecting These Applications

- SDRs

- Questionable admissions
- Bad dates (admission/
- Excessive number of
- Discharges from ICUs

- SADR (or CAPER)

- Questionable Units of Service
- Inpatient only procedures in ambulatory clinics
- MEPRS-B SADR (non-consultation) for inpatients

- RELATIONSHIPS

- Match of SDR/SADR/CAPER workload measures with MEPRS workload and expenses

Not to mention diagnosis and procedure coding issues



Costs on SIDRs & SADR



Challenge/Goal

- Direct care encounter records — Standard Inpatient Data Records (SIDRs) and Standard Ambulatory Data Records (SADRs) are not billing/claims data, but contain patient-level clinical (limited) and workload data
- MEPRS captures expense data from financial systems and reports or allocates to clinical and non-clinical functional cost centers (FCCs; e.g., MEPRS-3 treatment clinic service)
- GOAL: Allocate appropriate costs of patient care, support and overhead activities to patient-level encounter records for various reporting and analysis purposes



Base Year Data Issues May Affect Encounter Records in Three FYs

- Unit costs are developed from the most recent complete year of MEPRS and encounter data
- Inflation rates are applied to take the unit costs forward for application in future years
- During annual SIDR/SADR retrofit process, record costs are updated so that, in as many years as possible, they are based on that same year's costs and workload data

SIDR/SADR Costs Based On:	Application Year					
	FY06	FY07	FY08	FY09	FY10	FY11
Before Summer/Fall 2010 Retrofit	FY06	FY07	FY08	FY08	FY08	N/A
Current	FY06	FY07	FY08	FY09	FY09	FY09
After Summer 2011 Retrofit	FY06	FY07	FY08	FY09	FY10	FY10



Expenses with No Workload

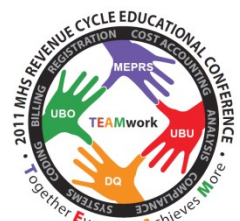
		FY		Values					
		2007		2008		2009		2010	
		Total		Total		Total		Total	
MEPRS3 Code	MEPRS-3 Description	Expense	Tot Visits	Expense	Tot Visits	Expense	Tot Visits	Expense	Tot Visits
BCB	OB & GYN CLINIC	\$2,292,367	11,296	\$2,415,370	11,794	\$2,160,218	12,427	\$1,838,020	12,473
BHA	PRIMARY CARE CLINICS	\$1,819,229	13,722	\$1,934,405	15,335	\$2,242,930	21,388	\$2,682,944	50,350
BHC	OPTOMETRY CLINIC	\$1,354,342	7,224	\$1,575,684	6,957	\$1,663,097	6,547	\$1,628,893	5,680
BHD	AUDIOLOGY CLINIC	\$563,804	1,843	\$559,579	163	\$532,308	439	\$635,209	8,260
BHZ	PRIM MED CARE NEC			\$10,130,242	0	\$14,162,748	18	\$16,278,560	0
Grand Total		\$6,029,742	34,085	\$16,615,279	34,249	\$20,761,302	40,819	\$23,063,626	76,763

Sum of Cost per Visit		2009		2010
MEPRS2 Code	MEPRS-2 Description			
BC	OB/GYN CARE	\$173.83	\$173.83	\$147.36
BH	PRIMARY MED CARE	\$655.15	\$655.15	\$330.15
Grand Total		\$508.62	\$508.62	\$300.45

Well, THIS might be an error!!!!!!

NOTE: These are not errors, but notice the impact if discretion is not used when determining unit costs

MEPRS3 Code (Multiple Items)		FY			
Sum of Cost per Visit					
MEPRS2 Code	MEPRS-2 Description	2007	2008	2009	2010
BC	OB/GYN CARE	\$202.94	\$204.80	\$173.83	\$147.36
BH	PRIMARY MED CARE	\$164.00	\$181.24	\$156.42	\$76.95
Grand Total		\$176.90	\$189.35	\$161.73	\$88.39



Negative Expenses

AT PARENT LEVEL WITH ALL CHILD CLINICS INCLUDED

WHAT???

Negative \$1,503 per Visit?

FY Values

2009

2010

Sum of Cost per Visit	Sum of Total Visits	Sum of Cost per Visit
\$266.84	93,663	\$294.89
\$164.13	66,584	\$134.64
\$127.25	54,044	\$319.42
\$323.26	210,124	\$250.33
\$217.56	52,473	\$321.54
\$95.15	46,994	\$152.78
\$244.17	523,882	\$249.10

Grand Total

ONE OF THE CHILD CLINICS

FY Values

2008

2009

2010

Tmt Parent DMISID	MEPRS2 Code	Description	Sum of Total Visits	Sum of Cost per Visit	Sum of Total Visits	Sum of Cost per Visit	Sum of Total Visits	Sum of Cost per Visit
000X	BA	Medical Care	20,322	\$209.19	22,746	\$231.45	21,184	\$234.58
	BD	Pediatrics Care	11,467	\$117.85	13,246	\$196.41	13,189	\$109.81
	BF	Psyc/MH Care	3,122	\$342.02	4,223	-\$1,503.13	5,230	\$279.72
	BG	Family Practice Care	26,451	\$382.44	34,853	\$762.23	40,894	\$328.28
	BH	Primary Medical Care	2,298	\$204.33	2,613	\$321.82	2,535	\$210.14
	BL	Rehab Amb Services	4,874	\$81.21	6,143	-\$28.39	5,261	\$136.49
Grand Total			68,534	\$257.56	83,624	\$343.26	88,293	\$255.47



Negative Expenses

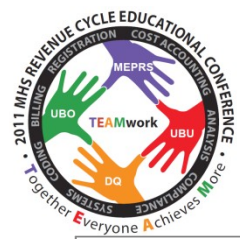
AT PARENT LEVEL WITH ALL CHILD CLINICS INCLUDED

Compare with
and without
the child clinic
included

		FY		Values								
		2008			2009		2010					
Tmt Parent	DMISID	Sum of Total	Sum of Cost	per Visit	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost
		Visits	per Visit		Visits	per Visit	Visits	per Visit	Visits	per Visit	Visits	per Visit
		7	\$220.53		95,511	\$266.84	93,663	\$294.89				
			\$133.89		61,420	\$164.13	66,584	\$134.64				
		6	\$260.08		48,133	\$127.25	54,044	\$319.42				
		3,071	\$260.06		216,362	\$323.26	210,124	\$250.33				
		31,586	\$201.70		42,907	\$217.56	52,473	\$321.54				
	BL Rehab Amb Services	47,718	\$126.71		50,958	\$95.15	46,994	\$152.78				
Grand Total		450,612	\$217.38		515,291	\$244.17	523,882	\$249.10				

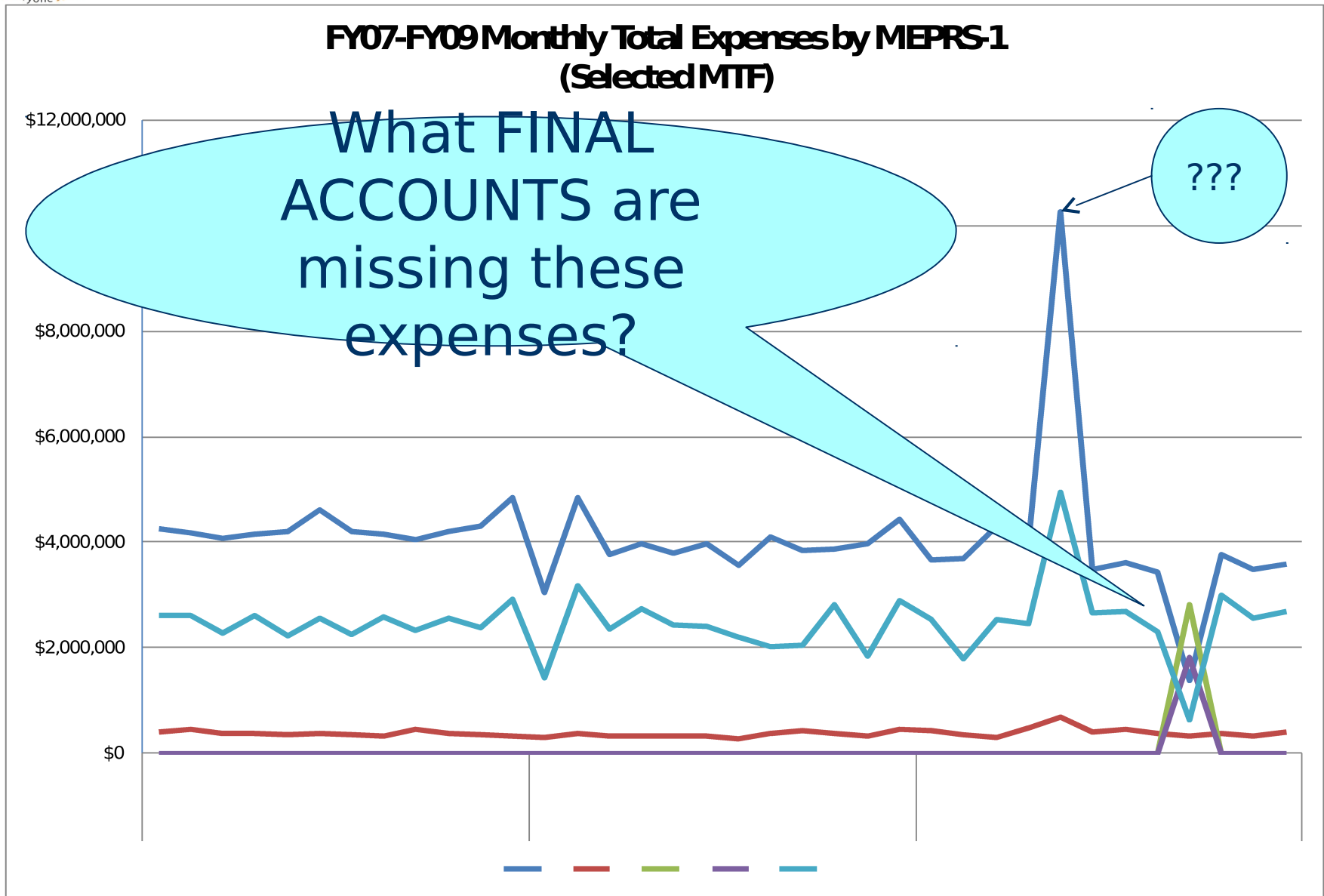
AT PARENT LEVEL WITH THE ONE CHILD CLINIC REMOVED

		FY		Values								
		2008			2009		2010					
Tmt Parent	MEPRS2	Sum of Total	Sum of Cost	per Visit	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost	Sum of Total	Sum of Cost
DMISID	Code	Description	Visits	per Visit	Visits	per Visit	Visits	per Visit	Visits	per Visit	Visits	per Visit
000X	BF	Psyc/MH Care	34,914	\$252.69	43,910	\$284.05	48,814	\$323.68				
	BG	Family Practice Care	156,620	\$239.39	181,509	\$238.97	169,230	\$231.50				
	BL	Rehab Amb Services	42,844	\$131.89	44,815	\$112.09	41,733	\$154.84				
Grand Total		234,378	\$221.72		270,234	\$225.25	259,777	\$236.50				



Unallocated Ancillary/Support?

**FY07-FY09 Monthly Total Expenses by MEPRS-1
(Selected MTF)**





Erroneous Expenses?

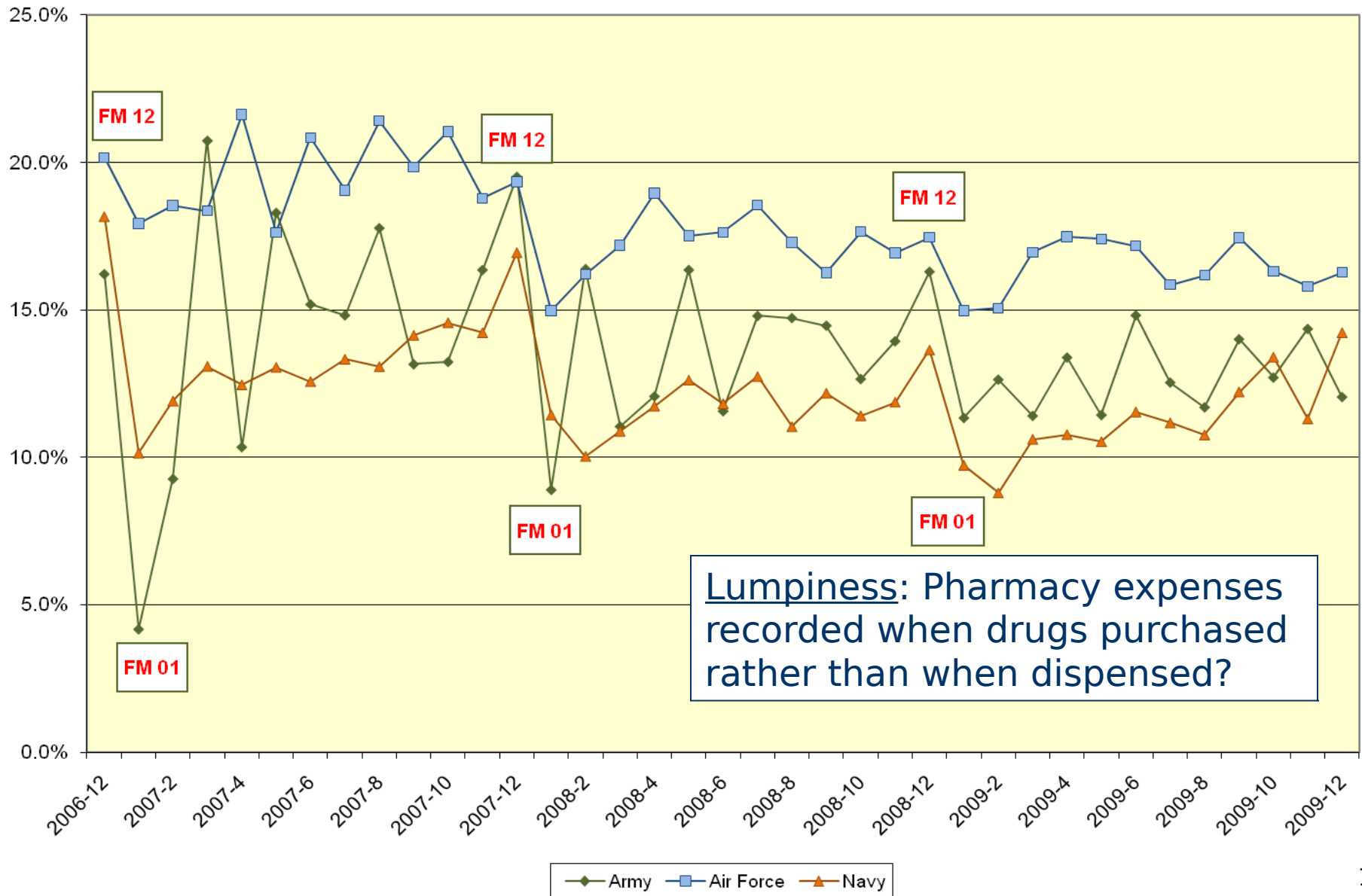
(Data extracted in late January 2011)

		FY	Values							
		2008			2009			2010		
MEPRS3 Code	Description	Total Expense	Visits	Exp per Visit	Total Expense	Visits	Exp per Visit	Total Expense	Visits	Exp per Visit
BAA	Internal Medicine Clinic	\$ 1,398,553	3,869	\$361.48	\$ 46,477	301	\$154.41	\$ 339,429	1,716	\$197.80
BAL	Outpatient Nutrition Clinic	\$ 1,557	11	\$141.56	\$ 17,094	229	\$74.65			\$0.00
BCB	Gynecology Clinic	\$ 657,147	5,296	\$124.08	\$ 630,803	4,655	\$135.51	\$ 579,160	1,980	\$292.51
BDA	Pediatric Clinic	\$ 2,184,227	11,905	\$183.47	\$ 2,321,043	13,585	\$170.85	\$ 2,496,919	16,307	\$153.12
BED	Chiropractic Clinic	\$ 247,408	3,649	\$67.80	\$ 229,785	4,179	\$54.99	\$ 268,193	4,349	\$61.67
BFD	Mental Health Clinic	\$ 1,612,263	2,597	\$620.82	\$ 1,581,135	2,955	\$535.07	\$ 1,136,525	3,324	\$341.91
BGA	Family Practice Clinic	\$ 16,610,887	64,668	\$256.86	\$ 17,718,572	62,676	\$282.70	\$ 32,826,658	65,319	\$502.56
BHC	Optometry Clinic	\$ 826,700	4,627	\$178.67	\$ 826,700	4,627	\$178.67	\$ 826,700	4,627	\$178.67
BIA	Behavioral Health Clinic	\$ 1,317,468	4,548	\$289.68	\$ 1,317,468	4,548	\$289.68	\$ 1,317,468	4,548	\$289.68
		\$ 674,733	4,640	\$145.42	\$ 674,733	4,640	\$145.42	\$ 674,733	4,640	\$145.42
		\$ 40,465,785	106,810	\$378.86	\$ 40,465,785	106,810	\$378.86	\$ 40,465,785	106,810	\$378.86

“Interestingly,” this same MTF had an identical problem with their FY09 data, but the problem was eventually corrected



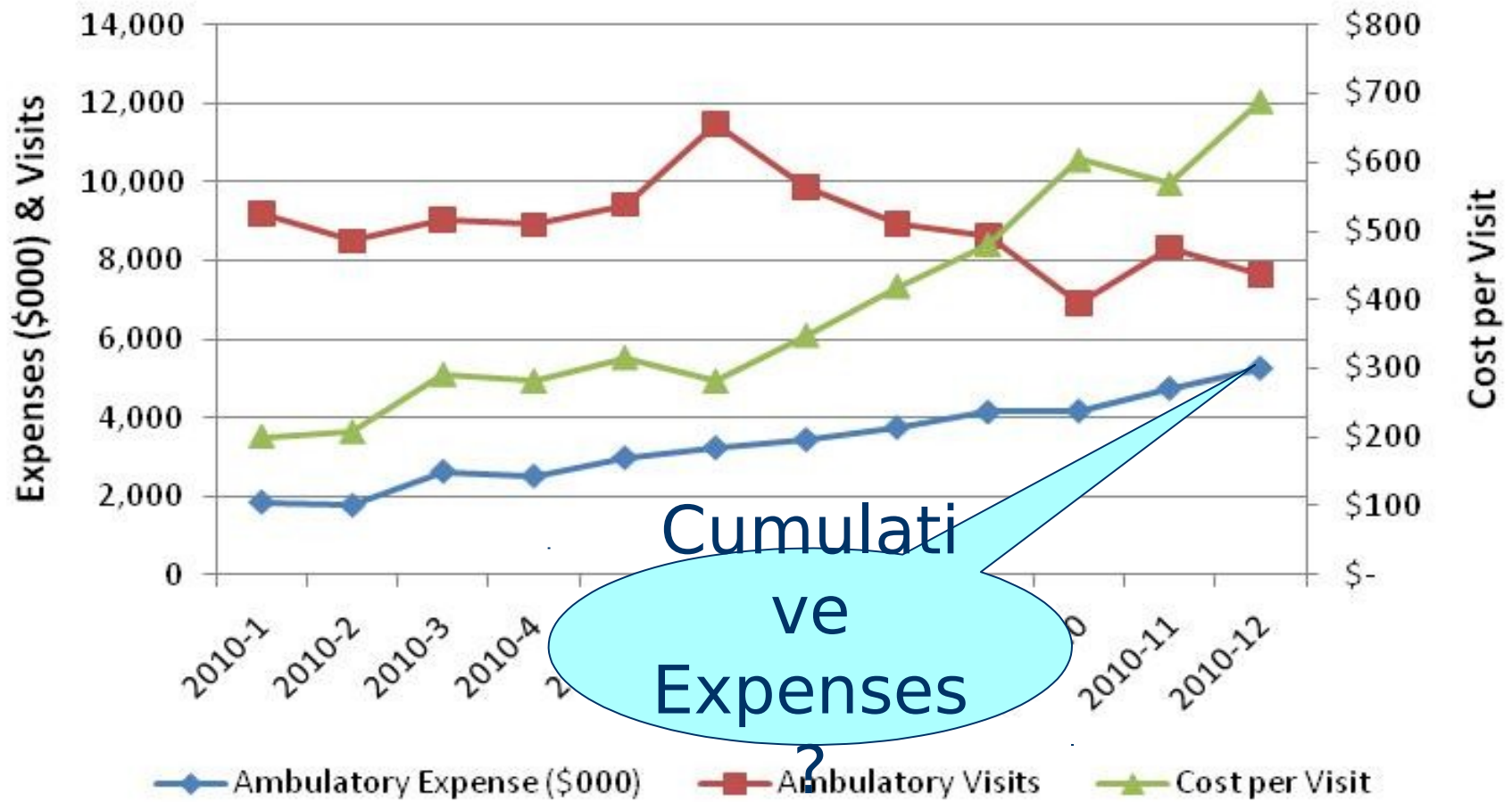
Rx Percentage of Ambulatory \$





Expenses vs. Workload

FY10 Monthly MEPRS-B Visits and Expenses (Unidentified MTF)





ICUs - SIDR vs MEPRS

Should there be any?

FY10 SIDR Dispositions from ICUs

Sum of Dispositions MEPRS3 Code, Dispositioning		Tmt DMIS ID Military Service				
	Description		Air Force	Army	Navy	Grand Total
<input type="checkbox"/> AAC	Coronary Care Unit (Refer to the DJ accounts)		91	312	61	464
<input type="checkbox"/> AAH	Medical Intensive Care Unit (Refer to DJ accounts)		1,371	4,882	1,479	7,733
<input type="checkbox"/> ABC	Surgical Intensive Care Unit (Refer to the DJ accounts)		206	594	80	880
<input type="checkbox"/> ADC	Neonatal Intensive Care Unite (Refer to the DJ accounts)		297	622	983	1,901
<input type="checkbox"/> ADE	Pediatric Intensive Care Unit (Refer to the DJ accounts)		42	187	802	1,031
Grand Total			2,007	6,597	3,405	12,009

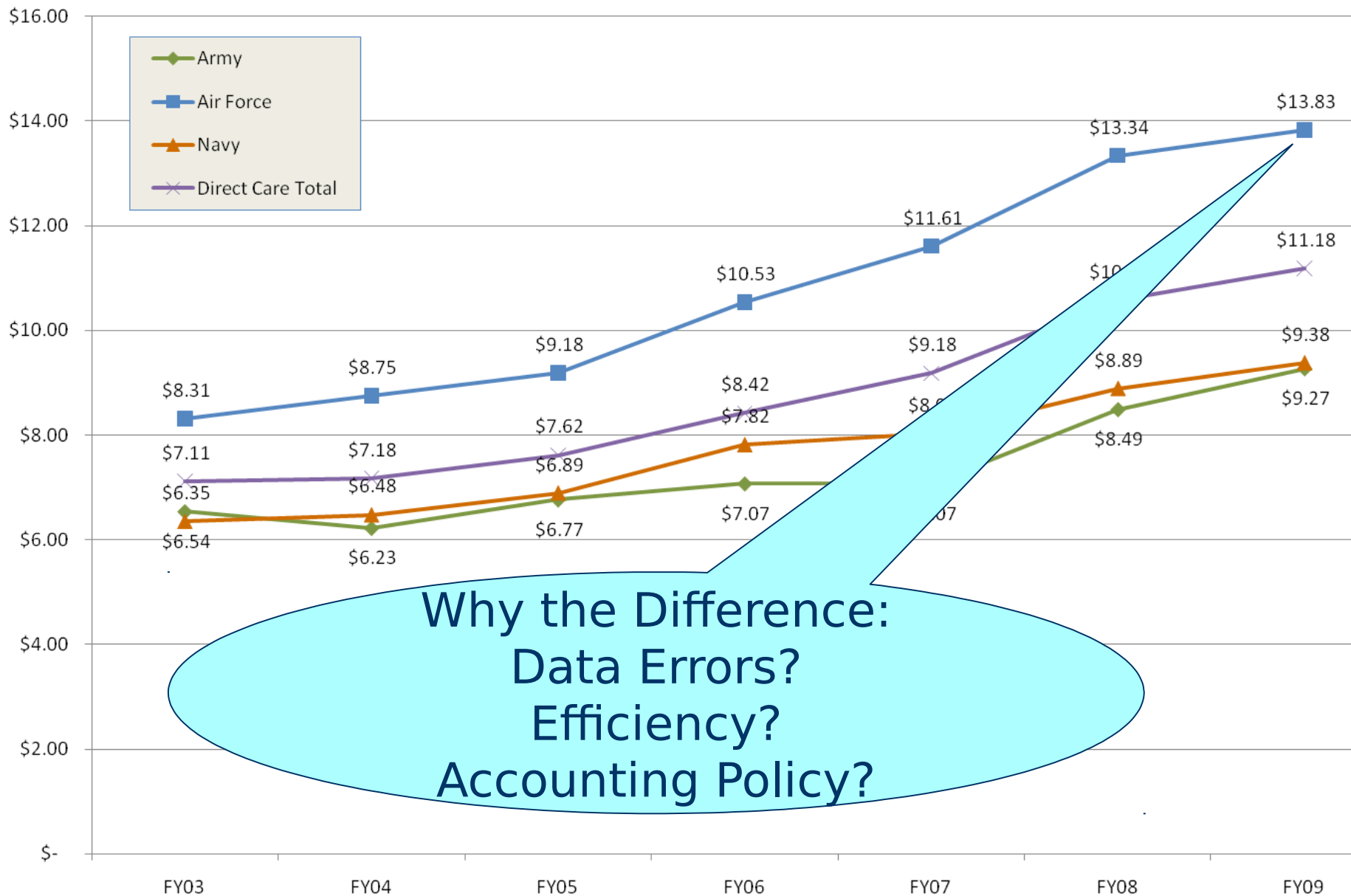
Where are these dispositions (and

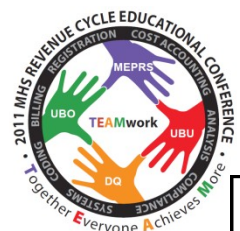


Dispensing Costs for Direct Care PDTS Records

Pharmacy Dispensing Costs

Direct Care Worldwide FY03-FY09





Why the Difference?

Selected MEPRS-E Expenses Stepped Down to DAA FY 2009

Sum of Rx Expenses				Weighted	Unit Cost	
FY	SVC	MEPRS-2	Total	Workload	(Part of Dispensing Fee)	
2009	Army	EB-Command, Mgmt. and Admin	\$ 32,385,594		\$ 1.24	
		ED-Support Services	\$ 9,945,465		\$ 0.38	
		EE-Material Services	\$ 31,782,104		\$ 1.22	
	Army Total		\$ 74,113,164	27,687,288		\$ 2.84
	Air Force	EB-Command, Mgmt. and Admin	\$ 25,122,047		\$ 1.40	
		ED-Support Services	\$ 9,555,867		\$ 0.53	
		EE-Material Services	\$ 73,803,833		\$ 4.11	
	Air Force Total		\$ 108,481,748	17,233,039		\$ 6.04
	Navy	EB-Command, Mgmt. and Admin	\$ 27,278,397		\$ 1.58	
		ED-Support Services	\$ 8,221,490		\$ 0.48	
		EE-Material Services	\$ 3,619,946		\$ 0.21	
	Navy Total		\$ 39,119,832	16,575,965		\$ 2.27
		\$ 221,714,744	61,496,292		\$ 3.61	
FY 2010						
Sum of Rx Expenses			Total	Weighted Workload*	Unit Cost (Part of Dispensing Fee)	
2010	Army	EB-Command, Mgmt. and Admin	\$ 32,453,462		\$ 1.13	
		ED-Support Services	\$ 10,667,354		\$ 0.37	
		EE-Material Services	\$ 27,481,819		\$ 0.96	
	Army Total		\$ 70,602,634	28,637,494		\$ 2.47
	Air Force	EB-Command, Mgmt. and Admin	\$ 24,571,415		\$ 1.40	
		ED-Support Services	\$ 7,070,369		\$ 0.40	
		EE-Material Services	\$ 39,367,085		\$ 2.25	
	Air Force Total		\$ 71,008,868	17,530,061		\$ 4.05
	Navy	EB-Command, Mgmt. and Admin	\$ 29,784,308		\$ 1.90	
		ED-Support Services	\$ 8,510,920		\$ 0.54	
		EE-Material Services	\$ 5,196,438		\$ 0.33	
	Navy Total		\$ 43,491,666	15,686,970		\$ 2.77
Grand Total		\$ 185,103,168	61,854,525		\$ 2.99	

This “problem” is being corrected!

This
"problem"
is being
corrected!

*Army corrected to adjust one MTF with 9.9 million reported



High-Level MHS Metrics



Per Member Per Month (PMPM)

- What are we measuring? The average percentage change in Defense Health Program annual cost per equivalent life compared with average civilian sector health insurance premium changes
- Why is it important? Metric looks at how well the MHS manages the care for individuals who have chosen to enroll in an HMO-type benefit (Prime). It is designed to capture aspects of three major management issues:
 1. How efficiently the Military Treatment Facilities (MTFs) provide care
 2. How effectively the MTFs manage enrollee demand
 3. How well the MTFs determine which care should be provided inside the facility versus purchased from a managed care support contractor



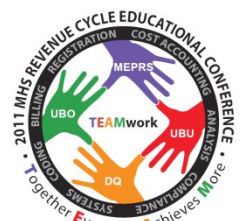
PMPM: Impact of Missing MEPRS

- Key metric periodically reported to the USD (P&R)
- Source of direct care costs and FTEs is MEPRS
- In one update, a large Medical Center was missing Contractor labor; in the same Service, multiple months of MEPRS data were missing at the cutoff date for metric reporting
- Overall PMPM with estimates for missing data were below the goal (**green**); when data were complete; TMA had to report back to the USD that the Service had failed to meet the goal (**red**)

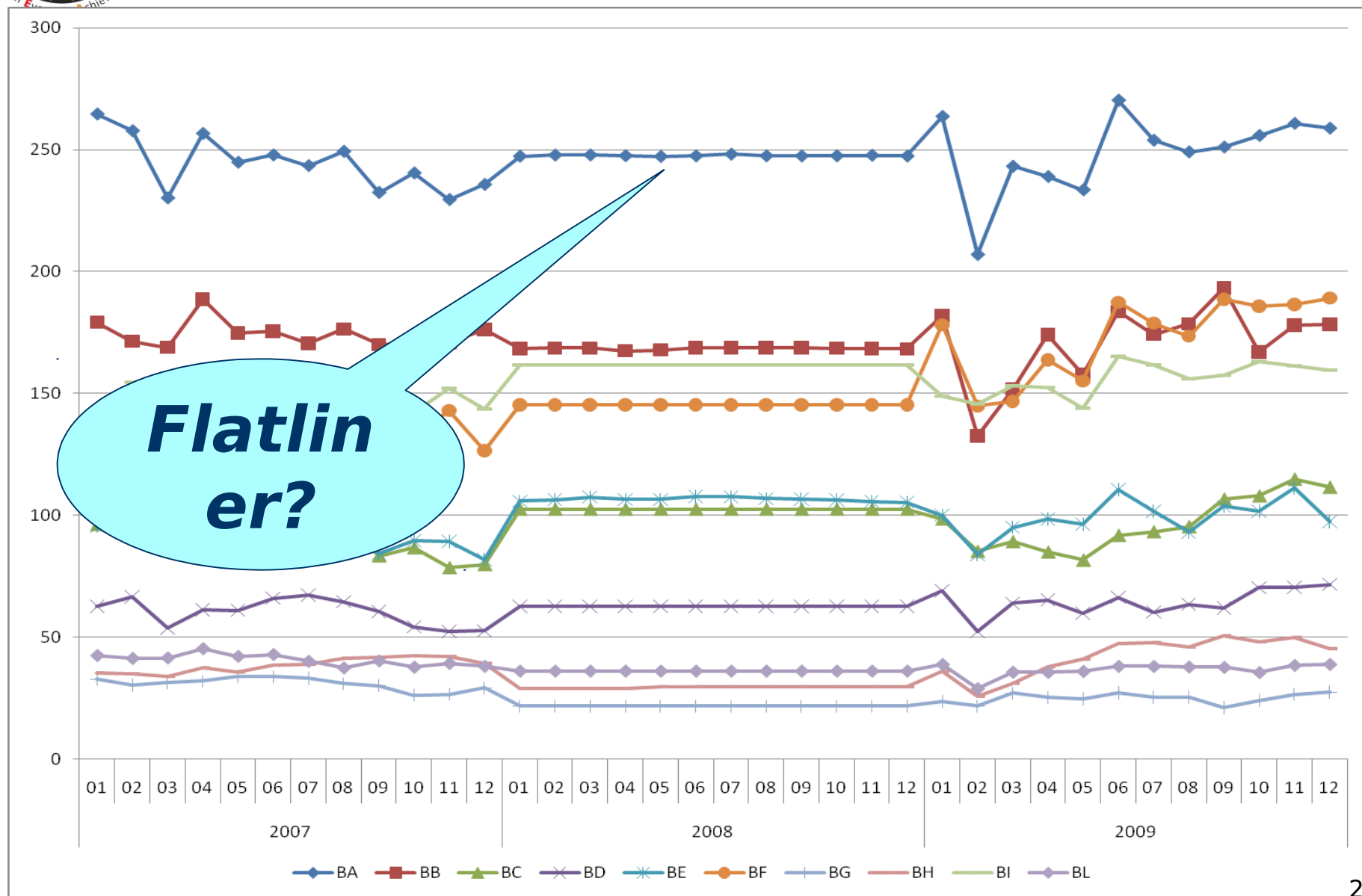


RVUs per Primary Care Provider per Day

- What are we measuring? The Work RVUs for all the visits of a provider for a specified period attributed to a specific clinical site divided by the available FTEs of that provider in that clinic each day
- Why is it important? Reflects the availability of a specific provider for patient care and the volume/intensity of the associated work. National standards for Primary Care allow for comparison
 - If providers are below average, process improvement initiatives may be undertaken for increasing productivity
 - Practices of above average providers may lead to best practice dissemination
- Metric assumes a direct correlation between available FTEs and workload reported in a given cost center



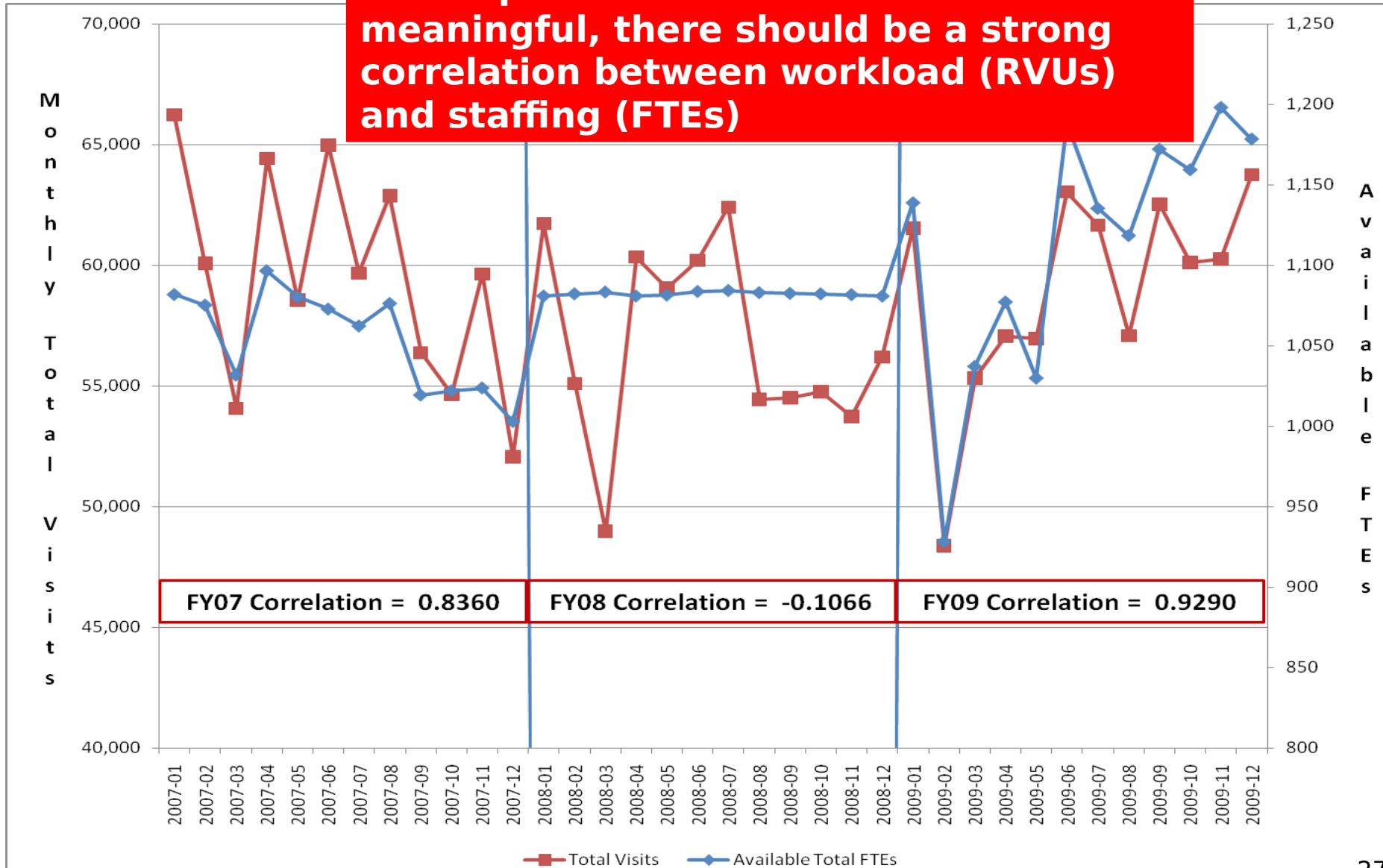
Ambulatory Available FTEs by MEPRS-2 (Selected Major Medical Center)

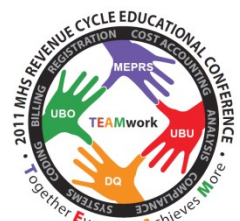




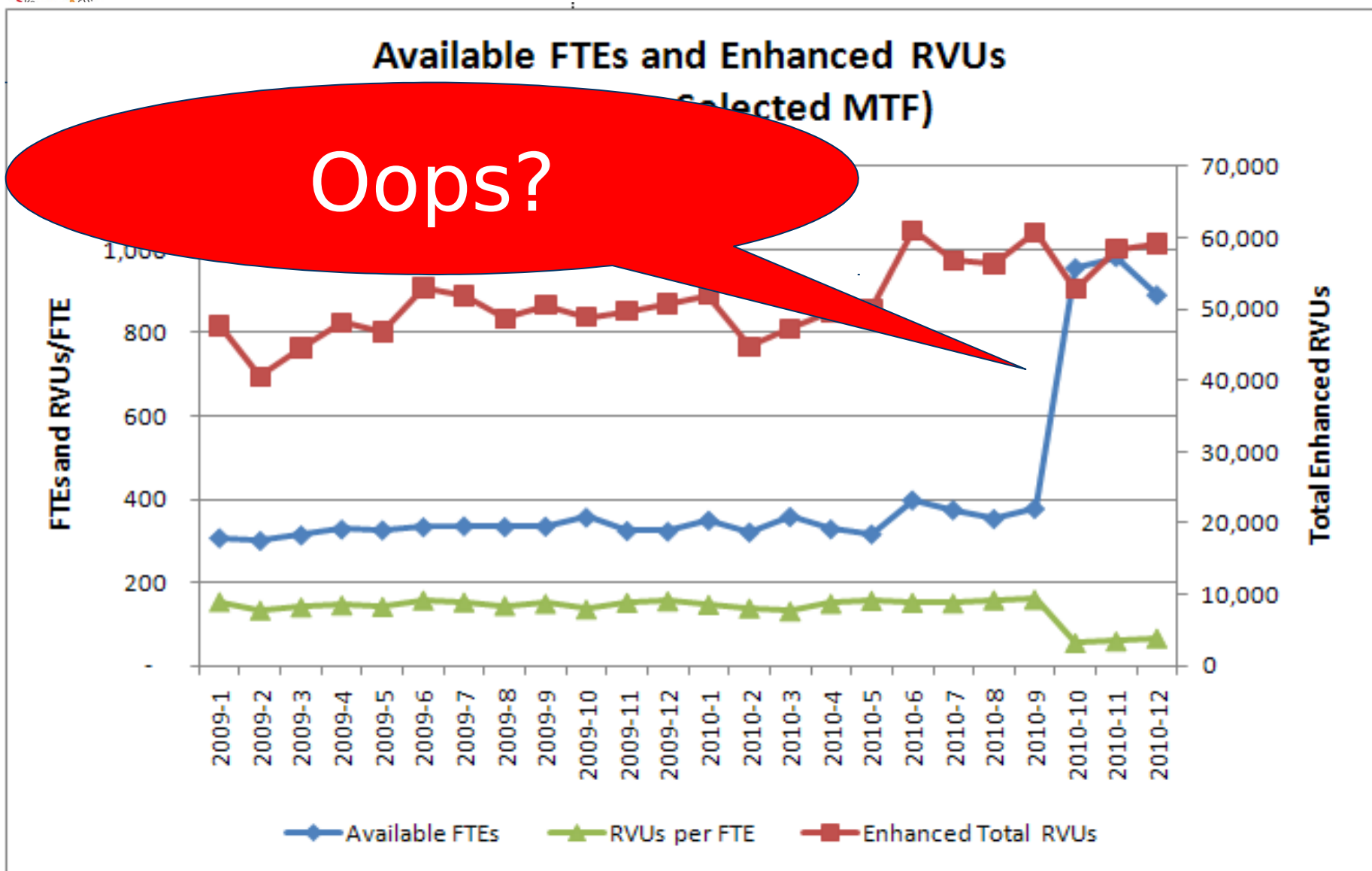
Ambulatory Available FTEs & Visits

If RVU per FTE metrics are to be meaningful, there should be a strong correlation between workload (RVUs) and staffing (FTEs)





FTEs vs. Workload





Coding/Reporting Issues: Impact on PPS Earnings



Prospective Payment System

- Attaches Value to MTF business plans
 - Fee for service rate for workload produced
 - Scores performance against plans
- Rates based on purchased-care prices
 - Average purchased care allowed amounts for DRGs, MH Bed Days, and RVUs
 - Not MTF costs
 - Adjusted for locality
- Computed at MTF level
 - Rolled up to Services for budget adjustments to Services
 - Services allocate budgetary funds to MTFs



Valuing MHS Workload Fee for Service Rates (FY10)

- Value per MS-RWP – \$9,107 (MEPRS A codes)
 - Average amount allowed
 - Including institutional and professional fees
 - Excluding MH/SA
 - Adjusted for local Wage index and Indirect Medical Education Adjustment (IME)
- Value per Mental Health Bed Day – \$769 (MEPRS A codes)
 - Average amount allowed
 - Including institutional and professional fees
 - Adjusted for local Wage index and Indirect Medical Education Adjustment (IME)
- Value per RVU – \$36 (MEPRS B codes)
 - Standard Rate – like TMAC/CMS
 - Excluding Ancillary, Home Health, Facility Charges (except ER/SDS)
 - Adjusted for local geographic price index both Work and Practice
- Value per APC – \$67 (MEPRS B codes ER/SDS)
 - Standard Rate

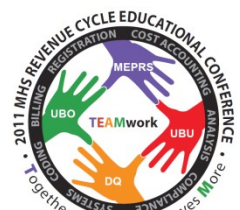


Top 12 Inpatient-Only Procedures

**Medicare/TRICA
RE: These
should all be
performed in
Inpatient
settings**

**Not a large
number, but
tends to be
concentrated in
only a few MTFs**

Inpatient Only CPT Code	Abbreviated Description			
27447	Total knee arthroplasty			19
43645	Lap gastr bypass ind smll int	41		52,531
39010	Explantation of cath	69	1,156.4	\$ 41,632
587		67	1,119.6	\$ 40,305
		38	919.2	\$ 33,092
		50	854.5	\$ 30,762
		25	631.5	\$ 22,734
4900		42	625.0	\$ 22,499
58150	Total hysterectomy	34	622.9	\$ 22,424
34151	Removal of artery dot	19	578.9	\$ 20,841
43832	Place gastrostomy tube	28	570.1	\$ 20,523
22845	Insert spine fixation device	20	345.8	\$ 12,449
(Grand Total shown is for all 427 different IP-only CPT codes found)				
Grand Total		1,809	38,139.5	\$ 1,373,023
*Not flagged Inpatient				



IP Only - One MTF's Examples

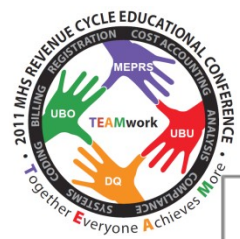
CPT	Description	RVU Weight			PPS Value (\$36/RVU)	Patient found as Inpatient			DRG Weight	PPS Value (\$9,107/RVP)
		Work	PE	Total		No.	MS-DRG	Description		
43645	Lap gastr bypass ind smll int	25.54	10.05	35.59	\$1,281.24	1	620	O.R. PROCEDURES FOR OBESITY W CC	1.9379	\$ 17,648.46
						30	621	O.R. PROCEDURES FOR OBESITY W/	1.7138	\$ 15,607.58
27130	Total hip arthroplasty	15		24.19	\$	6	470	MAJOR J OR REA LOWER	2.1598	\$ 19,669.30
27447	Total knee arthroplasty							MAJOR J OR REATTAC OBESITY W/O MCC	2.1598	\$ 19,669.30

At
one
MTF

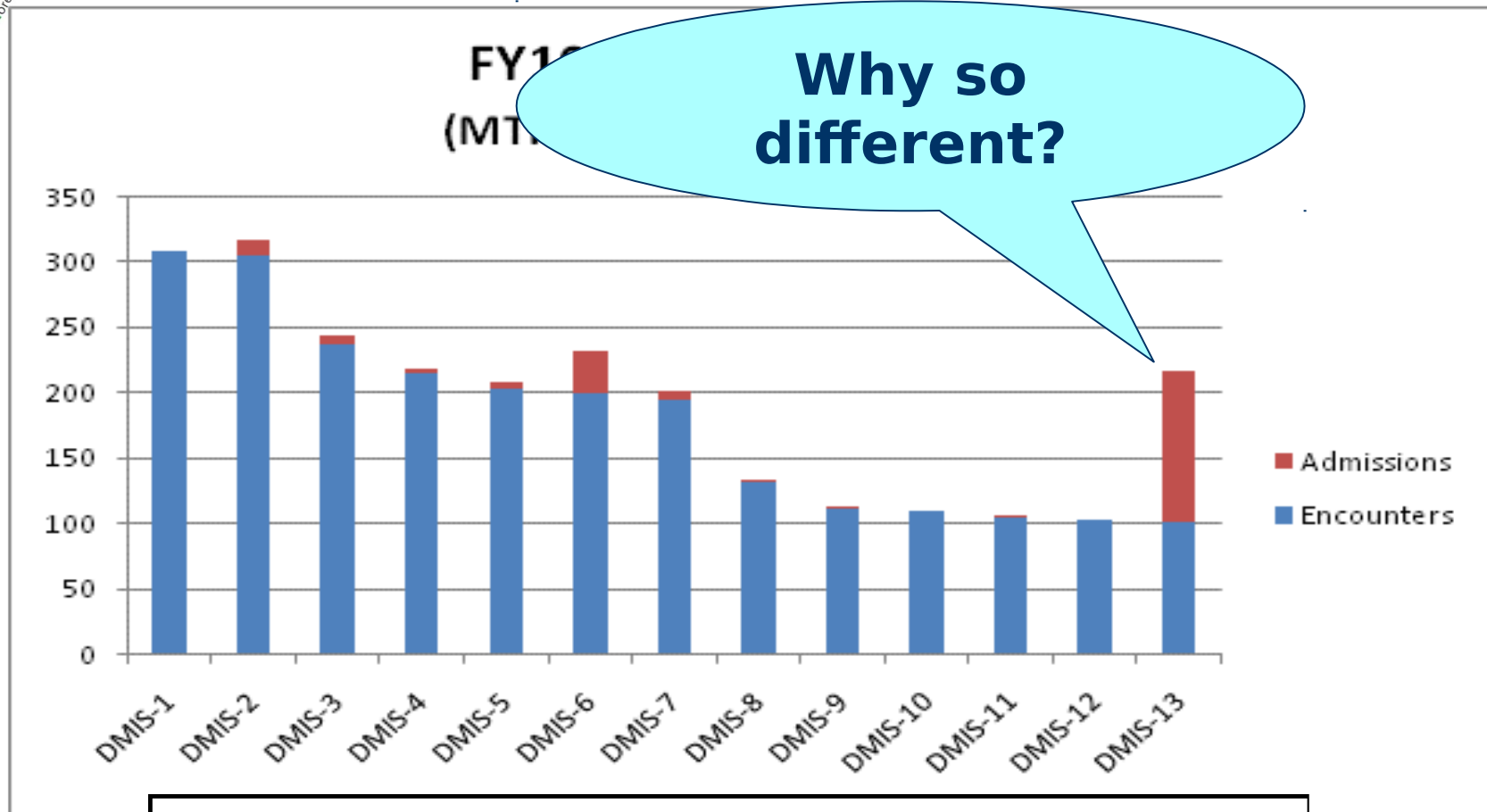
At
another
MTF

**Number of MEPRS-B
SADRs with CPT 43645
not flagged as Inpatient
with MS-DRG 621 on
SIDR; most SADRs coded
as Walk-Ins on day of
admission**

Total	
27447	\$ 525,594
	\$ 534,044
	\$ 821,606
Total	\$ 1,784,049
	\$ 97,194
	\$ 1,881,243



Coding or Practice? - PPS Impact



PPS Earnings			
Ambulatory Surgery		Inpatient	
Professional (RVU-based)	\$ 118.44	Professional (Incl in DRG)	N/A
Institutional (APC based)	\$1,194.23	Institutional (Incl in DRG)	N/A
	<u>\$1,312.67</u>		<u>\$6,486.92</u>

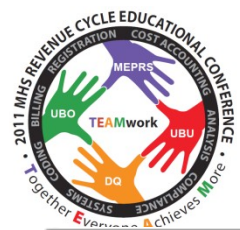


SIDRS, Off by a Year? - PPS Impact

**Admission or
Service
(Discharge)
Year Incorrect?**

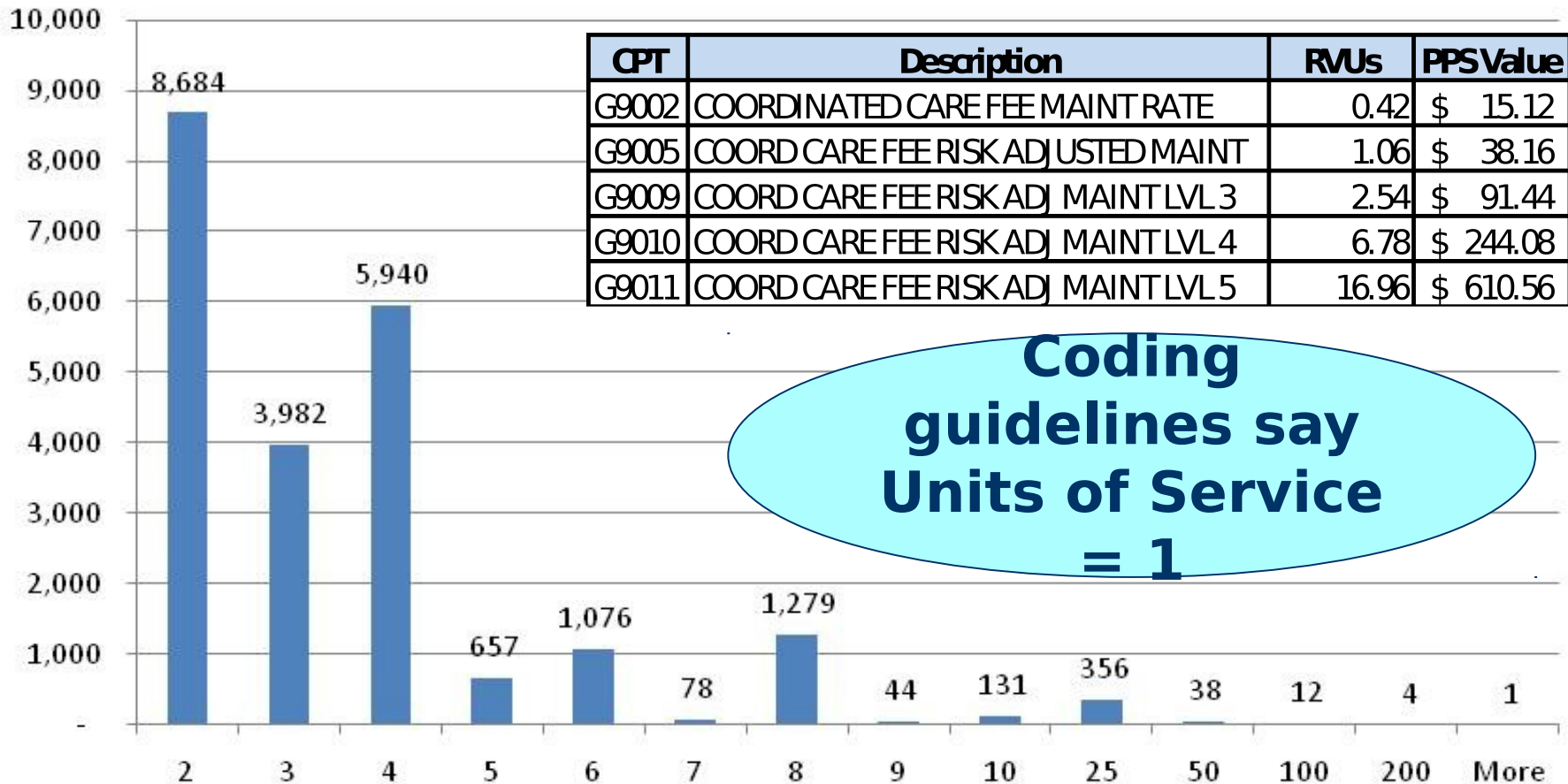
**How many bed
days *should*
this be?**

Admission Date	Service (Discharge) Date	MS-DRG		DRG				Full Cost, Raw	PPS Earnings
05/09/2008	12/17/2009	743	UTERINE & ADNEXA PROC FOR NON-MALIGNANCY W CC/MCC	371	1.34	58.1		\$75,020	\$799,583
03/10/2009	05/07/2010	638	TRAUMATIC STUPOR & COMA <1 HR AGE >17 W CC	369	3.0	1.31	58.4		601
06/15/2009	07/06/2010	686	HEART FAILURE & SHOCK W MCC	385					870
09/15/2008	10/05/2009	291	UTERINE & ADNEXA PROC FOR NON-MALIGNANCY W CC/MCC	371	1.34	58.1		\$775,387	\$323,834
06/09/2008	06/15/2009	742	OTHER EAR, NOSE, MOUTH & THROAT O.R. PROCEDURES AGE >17 W CC/MCC	369	3.0	1.31	58.4	\$150,063	\$562,220
10/16/2007	10/19/2008	133	CESAREAN SECTION W/ O CC/MCC	369	3.0	0.66	27.5	\$665,515	\$552,469
02/02/2008	02/05/2009	766	HYPERTENSION W/ O MCC	368	2.4	0.70	44.3	\$766,326	\$266,624
12/30/2008	01/02/2010	305	SIMPLE PNEUMONIA & PLEURISY AGE 0-17	367	2.8	0.45	23.0	\$793,498	\$329,167
01/07/2008	01/08/2009	140	SIMPLE PNEUMONIA & PLEURISY AGE >17 W/ O CC/MCC	366	3.1	0.70	30.9	\$387,107	\$233,281
02/05/2009	02/06/2010	195						\$712,859	\$266,902



Case Management Bonanza?

Quantities on Case Management Codes



CPT	Description	RVUs	PPS Value
G9002	COORDINATED CARE FEE MAINT RATE	0.42	\$ 15.12
G9005	COORD CARE FEE RISK ADJUSTED MAINT	1.06	\$ 38.16
G9009	COORD CARE FEE RISK ADJ MAINT LVL 3	2.54	\$ 91.44
G9010	COORD CARE FEE RISK ADJ MAINT LVL 4	6.78	\$ 244.08
G9011	COORD CARE FEE RISK ADJ MAINT LVL 5	16.96	\$ 610.56

**Coding
guidelines say
Units of Service
= 1**

**164,579 with Quantity
= 1**



Photorefractive Keratectomy (PRK)

Treatment DMIS Military Service	Procedure Quantity	Procedure 1 Modifier						Grand Total
		50	55	56	LT	RT	(blank)	
Army	1	4,846	563	10	38	72	2,785	8,314
	2	251				6	897	1,154
Army Total		5,097	563	10		78	3,682	9,468
Air Force	1	4,846	563	10	38	72	2,785	4,647
	2							436
Air Force Total								5,083
Navy	1							3,866
								617
Navy Total								4,483
Grand Total								19,034

Procedure	Work	50	55	56	LT	RT	Definition
S0810	10.24	26.61	36.85	\$ 11.24			50 Bilateral
Follow-up							55 Postop Care Only
w/o Refraction	0.61	0.57	1.18	\$ 42.48			56 Preop Care Only
w/Refraction	0.99	0.97	1.96	\$ 70.56			LT Left
							RT Right

One **Optometrist** at a Troop Medical Clinic reported 260 of these with no modifiers in FY 2010



Medicare-Eligible Retiree Health Care Fund (MERHCF)

***Direct Care Level of
Effort (LOE)***



MERHCF Defined

- Established by Congress (2001 NDAA) to provide mandatory funding for a military retiree health care entitlement
- Covers certain Medicare-eligible DoD beneficiaries (military retirees, retiree family members and survivors—not simply “over-65s”)
- Pays for **MTF care**, purchased care and pharmacy
- Recognizes DoD’s accrued and future liability for cost of retiree/survivor health care for military service members and their family members based on actuarial analyses and assumptions about population characteristics



Overview - MTF LOE

- Purpose: To estimate annual DoD expenses for Military Treatment Facility (MTF) care of **Medicare-eligible** DoD and other uniformed services retirees, dependents of retirees and survivors
- Results support reconciliation of annual Accrual Fund charges and projection of future MERHCF direct care budget allocations and reimbursement rates
- Level of Effort (LOE) procedures comply with DODI 6070.2 *Department of Defense Medicare Eligible Retiree Health Care Fund Operations*



LOE Methodology

- Expense data from the EAS-IV Repository
 - Inpatient (MEPRS-A)
 - Ambulatory (MEPRS-B less Rx)
 - Pharmacy (stepped-down to MEPRS B&F)
- Workload data from patient encounter records in the MHS Data Repository (MDR)
 - Inpatient: Standard Inpatient Data Records (SIDR)
 - Ambulatory: Standard Ambulatory Data Records (SADR)
 - Pharmacy: Pharmacy Data Transaction Service (PDTs) Records



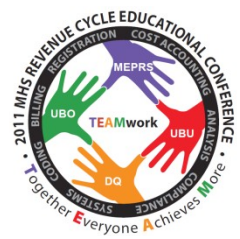
Direct Care Expense Allocation

- MEPRS expenses are allocated to beneficiary categories on the following bases:
 - Inpatient – Relative Weighted Products (RWP, DRG based) from SIDRs
 - Ambulatory – Ambulatory Patient Group (APG) weighted work units from SADR
 - Pharmacy – Prescription counts (for admin costs) and ingredient costs (for pharmaceuticals) in PDTS
- LOE beneficiary categories used are:
 - (1) Active Duty, (2) Active Duty Family Member, (3) Non-Accrual Fund Retiree, (4) Non-Accrual Fund Retiree Family Mbr/Srv, (5) Accrual Fund Retiree, (6) Accrual Fund Retiree Family Mbr/Srv and, (7) All Other MTF patients



Identifying Pharmacy - by Program Element Code (PEC)

- 0807701 Pharmaceuticals in Defense Medical Centers, Station Hospitals, and Medical Clinics - CONUS
 - Includes pharmaceuticals specifically identified and measurable to provision of Pharmacy Services in DoD owned and operated CONUS facilities
 - Excludes manpower authorizations, support equipment and other costs directly associated with the production and operation of DoD owned and operated facilities
 - PE designed specifically to collect pharmaceuticals. Includes all prescription supply items used in direct patient care by hospitals, dental clinics, veterinary clinics and other clinics such as Occupational Health Clinics...
- 0807901 Pharmaceuticals in Defense Medical Centers, Station Hospitals, and Medical Clinics - OCONUS



FY10 MERHCF LOE

Pharmaceutical PEC & SEEC Mismatch

Parent DMIS ID	DoD PEC	DoD SEEC	Net Month Expense
DMIS-A	87701-Pharmaceutical, In-House (OC ONUS)	11.72-Military Personnel Compensation 11.74-Borrowed Military Labor	\$1,553,208 <u>\$11,283</u>
DMIS-A Total			\$1,564,492
DMIS-B	87701-Pharmaceutical, In-House (OC ONUS)	11.72-Military Personnel Compensation 11.74-Borrowed Military Labor	\$1,517,220 <u>\$34,898</u>
DMIS-B Total			\$1,552,117
DMIS-C	87701-Pharmaceutical, In-House (OC ONUS)	11.72-Military Personnel Compensation	<u>\$1,355,521</u>
DMIS-C Total			\$1,355,521
DMIS-D	87901-Pharmaceutical, In-House (OC ONUS)	11.72-Military Personnel Compensation 11.74-Borrowed Military Labor	\$1,120,586 <u>\$9,937</u>
DMIS-D Total			\$1,130,524
Grand Total			\$5,602,654

This problem is also being corrected - but requires substantial reprocessing.



FY07 MERHCF LOE

Impact of Incomplete Army MEPRS

***Army lost \$20.0 million or 3.3% of their
FY07 - based MERHCF distribution***

Official results submitted 29 April
2008

Beneficiary Service Affiliation	MERHCF LOE by Providing Military Service			MERHCF LOE Total
	Army	Air Force	Navy	
DoD Beneficiaries	\$ 609,708,647	\$ 575,864,963	\$ 395,999,148	\$ 1,581,572,758
Non-DoD Beneficiaries	\$ 4,284,678	\$ 5,003,092	\$ 8,083,711	\$ 17,371,482
Total MERHCF LOE	\$ 613,993,325	\$ 580,868,055	\$ 404,082,859	\$ 1,598,944,239

Updated results computed 13 June
2008

Beneficiary Service Affiliation	MERHCF LOE by Providing Military Service			MERHCF LOE Total
	Army	Air Force	Navy	
DoD Beneficiaries	\$ 630,458,316	\$ 576,294,859	\$ 396,733,252	\$ 1,603,486,427
Non-DoD Beneficiaries	\$ 4,493,393	\$ 5,010,408	\$ 8,086,186	\$ 17,589,987
Total MERHCF LOE	\$ 634,951,708	\$ 581,305,267	\$ 404,819,438	\$ 1,621,076,413



FY09 MERHCF LOE

Impact of Incomplete Air Force MEPRS

Air Force lost \$23.5 million or 3.7% of their FY09-based MERHCF distribution

Official results submitted 21 April
2010

Beneficiary Service Affiliation	MERHCF LOE by Providing Military Service			MERHCF LOE Total
	Army	Air Force	Navy	
DoD Beneficiaries	\$ 709,865,155	\$ 597,838,289	\$ 424,149,590	\$ 1,731,853,035
Non-DoD Beneficiaries	\$ 5,292,442	\$ 5,019,682	\$ 10,310,181	\$ 20,622,305
Total MERHCF LOE	\$ 715,157,597	\$ 602,857,971	\$ 434,459,771	\$ 1,752,475,340

Updated results computed 24 May
2010

Beneficiary Service Affiliation	MERHCF LOE by Providing Military Service			MERHCF LOE Total
	Army	Air Force	Navy	
DoD Beneficiaries	\$ 710,296,374	\$ 620,998,917	\$ 424,154,627	\$ 1,755,449,918
Non-DoD Beneficiaries	\$ 5,294,811	\$ 5,331,881	\$ 10,310,379	\$ 20,937,071
Total MERHCF LOE	\$ 715,591,185	\$ 626,330,797	\$ 434,465,006	\$ 1,776,386,989



Concluding Thoughts

- MEPRS and encounter data are used in many programs, applications and metrics
- Uncorrected data problems can affect the outcome of studies, analyses, metrics, and resulting decisions
- Detection/correction of various data problems centrally takes time and is difficult to accomplish systematically
- Local detection/correction of data problems is most effective
- Several tools are available to assist in identification of data problems
- Recommend session on Thursday: R-6-1000-1150, *Using the M2 to Identify & Manage MTF Data Quality*